

**EXHIBIT G**



CONFIDENTIAL

Michael Nierman

03/28/06

1

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

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S&L VITAMINS, INC.,

Plaintiff/Counterclaim  
Defendant,

- against -

AUSTRALIAN GOLD, INC.,

Defendant/Counterclaim  
Plaintiff.

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AUSTRALIAN GOLD, INC.,

Third-Party Plaintiff,

- against -

LARRY SAGARIN AND JOHN DOES 1-10,

Third-Party Defendants.

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DEPOSITION OF MICHAEL NIERMAN

New York, New York

Tuesday, March 28, 2006

Reported by:

MICHELE ROSSI, RPR

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1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25	2    March 28, 2006 1:20 p.m.  DEPOSITION of MICHAEL NIERMAN, held at the offices of MINTZ LEVIN COHN FERRIS GLOVSKY AND POPEO, P.C., 666 Third Avenue, New York, New York 10017 before Michele Rossi, a Registered Professional Reporter and Notary Public within and for the State of New York.	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25	4  IT IS HEREBY STIPULATED AND AGREED by and among counsel for the respective parties hereto that the sealing and certification of the within deposition shall be and the same are hereby waived; IT IS FURTHER STIPULATED AND AGREED that all objections, except to the form of the question, shall be reserved to the time of the trial; IT IS FURTHER STIPULATED AND AGREED that the within deposition may be signed before any Notary Public with the same force and effect as if signed and sworn to before the Court.
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25	3  COLEMAN LAW FIRM Attorneys for Plaintiff 1350 Broadway, Suite 1212 New York, New York 10018 BY: DAVID STEIN, ESQ.  ICE MILLER, LLP Attorneys for Defendant, Australian Gold, Inc. One American Square, Suite 3100 Indianapolis, Indiana 46282-0200 BY: SCOTT D. MATTHEWS, ESQ.	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25	5 Nierman MICHAEL NIERMAN stating his residence as 71 Maple Road, Kings Park, New York 10754, having been duly sworn by the Notary Public (Michele Rossi, RPR), was examined and testified as follows: EXAMINATION BY MR. MATTHEWS: Q My name is Scott Matthews. We met off the record. Have you ever been deposed before? A No. Q Have you ever given a deposition? A No. Q This is what we call a deposition. And let me explain to you what will happen, so you can at least understand the framework in which we're operating today. I'm an attorney for Australian Gold, Inc. Australian Gold, Inc. is a defendant, a third-party plaintiff in a lawsuit filed by your employer, S&L Vitamins, Inc. You've been identified as an employee of S&L Vitamins. And my purpose today is to ask you questions about facts that you may know related to the issues in the lawsuit. So I'm going to be

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1	Nierman	6	1	Nierman	8
2	asking you a series of questions, and you need to		2	Q That's a 4-year degree?	
3	give me truthful answers. Okay?		3	A Yes.	
4	A Sure.		4	Q Did you have a minor?	
5	Q Just as a ground rule, when you respond		5	A No.	
6	to my question, either yes, no or provide an		6	Q Are you currently enrolled in school?	
7	answer out loud. Shakes of the head or nods or		7	A No.	
8	slugs of the shoulders are hard to transcribe, so		8	Q Do you have any plans to attend any	
9	if you answer audibly, it makes for a better		9	graduate school in the future?	
10	record because she's taking down every word that		10	A No.	
11	we say. Fair enough?		11	Q Are you married?	
12	A Yes.		12	A No.	
13	Q Are you under any medication today that		13	Q Do you have any children?	
14	would prevent you today from testifying		14	A No.	
15	truthfully?		15	Q Where are you currently employed?	
16	A No.		16	A S&L Vitamins.	
17	Q If there's any question that I ask you		17	Q Many how hours a week do you work at S&L	
18	that you don't understand, please let me know,		18	Vitamins?	
19	okay?		19	A About 32.	
20	A Yes.		20	Q How many days a week do you work there?	
21	Q And I will be happy to rephrase it.		21	A Five.	
22	Otherwise, I'll just assume that you understood		22	Q What days are those?	
23	my question. Fair enough?		23	A Monday, Tuesday, Thursday, Friday,	
24	A Yes.		24	Saturday.	
25	Q Would you state your home address,		25	Q What are your shifts on each day? How	

  

1	Nierman	7	1	Nierman	9
2	please?		2	long are you there at the store?	
3	A 71 Maple Road, Kings Park, New York		3	A I work 11 until about 6.	
4	10754.		4	Q Is that a set schedule or does that	
5	Q How old are you?		5	vary?	
6	A I am 26 years old.		6	A It varies.	
7	Q Are did you go to high school?		7	Q Does it vary just because of the need of	
8	A Northport High School.		8	the owners or what?	
9	Q Is that located in Long Island?		9	A Some days I switch my off day.	
10	A Yes, Northport, Long Island.		10	Q What about your hours, is it typically	
11	Q What year did you graduate?		11	11 to 6 even if you switch your off day?	
12	A 1998.		12	A Yes. And sometimes I stay until seven.	
13	Q Did you take any classes after high		13	Q Why would you switch your off day, is	
14	school?		14	there any particular reason?	
15	A I went to college.		15	A Doctor's appointments.	
16	Q Where did you go to college?		16	Q Do you have any other employment besides	
17	A C.W. Post.		17	S&L Vitamins, Inc.?	
18	Q Where is C.W. Post located?		18	A No.	
19	A Brookville, New York.		19	Q What is your job title at S&L Vitamins,	
20	Q Did you graduate from C.W. Post?		20	Inc.?	
21	A Yes.		21	A Store manager.	
22	Q What year did you graduate?		22	Q What is the location of the store that	
23	A January 2004.		23	you manage?	
24	Q What is your degree in?		24	A Body Source, 308 East Montauk Highway,	
25	A Criminal justice.		25	Lindenhurst, 11757.	

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1	Nierman	10	1	Nierman	12
2	Q	How long have you been the store	2	closed.	
3	manager?		3	Q	Where is Mr. Sagarin, you said he's not
4	A	3 years.	4		there all the time between 11 and 6, where does
5	Q	Do you have any employees that report to	5		he go, do you know?
6	you?		6	A	I don't know.
7	A	No.	7	Q	Is he at his other store?
8	Q	Who do you report to?	8	A	I don't know.
9	A	Steve Mercadante.	9	Q	So if I walked into the Body Source
10	Q	Who is Steven Mercadante?	10		store on Montauk Highway on a typical Monday
11	A	An owner of Body Source.	11		afternoon, I would find you, Mr. Sagarin,
12	Q	Do you report to anyone else?	12		perhaps, and Mr. Mercadante present?
13	A	Larry Sagarin.	13	A	Yes.
14	Q	Who is Larry Sagarin?	14	Q	Are you paid a salary?
15	A	Steven Mercadante's partner.	15	A	Yes.
16	Q	Does your shift at Body Source overlap	16	Q	Is that a set amount each week?
17	with the hours that Steve Mercadante or Larry		17	A	Yes.
18	Sagarin are present?		18	Q	Do you receive any commission for sales?
19	A	Rephrase that, please.	19	A	No.
20	Q	Sure. The time that you're at the Body	20	Q	Do you receive any income from any
21	Source store, is either Steven Mercadante or		21		revenues generated from the website?
22	Larry Sagarin there?		22	A	No.
23	A	Yes.	23	Q	What is your salary?
24	Q	Can you give me an idea of their	24		MR. STEIN: Objection. You can answer.
25	schedules, how frequently -- let's start with		25		I object.

  

1	Nierman	11	1	Nierman	13
2	Mr. Mercadante first. What dates he's usually		2	A	I take home \$350 a week.
3	present at Body Source?		3	Q	I believe you said you've been there
4	A	Steven is usually there from about 10	4		about 3 years at Body Source on Montauk Highway;
5	a.m. until 7 p.m., Monday through Friday.		5		is that correct?
6	Q	And on the weekends?	6	A	No. You asked me how long I was the
7	A	No.	7		manager.
8	Q	What about Mr. Sagarin, what are his	8	Q	I'm sorry. How long have you been at
9	hours?		9		Body Source on East Montauk Highway?
10	A	Mr. Sagarin is there from about 11 a.m.	10	A	5 years.
11	until 6 p.m. and his hours change frequently.		11	Q	What did you do for the first 2 years of
12	Q	You mean, 11 a.m. to 6 p.m. varies from	12		your employment at Body Source?
13	day-to-day?		13	A	Stock shelves, ring up customers.
14	A	He does not stay with us the whole time.	14	Q	Did do you anything else those first 2
15	Q	What days is he there at Body Source?	15		years?
16	A	Monday through Friday.	16	A	Clean the store.
17	Q	What about the weekends?	17	Q	Anything else?
18	A	No.	18	A	No.
19	Q	Is the store closed on Saturday, Body	19	Q	Was there a store manager at that time,
20	Source?		20		those first 2 years of your employment?
21	A	No.	21	A	I guess you consider Steven Mercadante,
22	Q	What are the hours of operation of Body	22		the store manager.
23	Source?		23	Q	How long has the Body Source store on
24	A	Monday through Friday, 10:30 a.m. to 7	24		East Montauk been open?
25	p.m. Saturday, 11 a.m. to 6 p.m. Sunday,		25	A	I don't know.

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1	Nierman	14	1	Nierman	16
2	Q	Was it open when you arrived there 5	2	Q	Did they return the product to you?
3	years ago?		3	A	Yes.
4	A	Yes.	4	Q	What was the nature of their complaint?
5	Q	How have your duties changed, if at all,	5	A	The powder did not mix well.
6	since you became the store manager?		6	Q	So in your employment at Body Source,
7	A	I'm busier.	7	your testimony is that it's been a few occasions	
8	Q	Well, the specific duties that you've	8	on which customers have complained by e-mail	
9	listed, have they increased?		9	about a protein product that the Body Source	
10	A	Yes.	10	sold?	
11	Q	How so?	11	A	Yes, very few.
12	A	I answer phones. I do a lot of customer	12	Q	Have there been any other complaints
13	service.		13	that you've addressed while at Body Source?	
14	Q	Anything else?	14	A	No.
15	A	Sometimes if it's busy, I help pack	15	Q	Are you aware of any complaints about
16	orders in the back room.		16	tanning locations lodged by a customer at Body	
17	Q	Do you have any responsibility for	17	Source?	
18	ordering products?		18	A	No.
19	A	No.	19	Q	To your knowledge, has any customer of
20	Q	Do you have any interaction with any	20	Body Source ever asked for a refund for tanning	
21	vendors or suppliers of Body Source?		21	lotions that they purchased from Body Source?	
22	A	No.	22	A	I don't know.
23	Q	You said you do customer service. What	23	Q	Who is primarily responsible for
24	does that mean?		24	addressing customer refunds at Body Source?	
25	A	Someone will call up, ask about a	25	A	Refunds regarding what?

  

1	Nierman	15	1	Nierman	17
2	product. I explain the product to them. That's		2	Q	A refund for any reason.
3	about it.		3	A	I don't know.
4	Q	Have you ever given a customer a refund	4	Q	Well, you're the store manager, who
5	for a product?		5	would know?	
6	A	No.	6	A	I could take a guess.
7	Q	Are you responsible for handling	7	Q	Is there a reason you don't know?
8	customer complaints?		8	A	I usually do not handle returns. I
9	A	I answer e-mails.	9	usually do sales up front, you know, manage the	
10	Q	Does that mean e-mails regarding	10	store, make sure it's clean. I don't really	
11	customer complaints?		11	handle problems.	
12	A	Sometimes a customer might complain.	12	Q	So if I come into your store and say, I
13	Q	So that's a yes to my question?	13	want to see the store manager, I have a product	
14	A	Yes.	14	that I want to return, I want a refund, and	
15	MR. STEIN: Well, do you know what his		15	you're at the counter, then do you pass it off to	
16	question was?		16	a particular person?	
17	MR. MATTHEWS: We can read it back.		17	A	If I did not know what to do with it, I
18	(The requested portion was read back.)		18	would.	
19	A	E-mails can mean a lot of things.	19	Q	And who would you give that to?
20	Q	Do you respond to e-mails involving	20	A	Steven.
21	customers who are complaining to the Body Source?		21	Q	What about Mr. Sagarin, would he also be
22	A	A few times we had complaints on certain	22	someone who would handle customer complaints, or	
23	protein powders and I took care of that.		23	no?	
24	Q	How did you handle those complaints?	24	A	I don't know.
25	A	I refunded them their money.	25	Q	Does Body Source have a policy with

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<p>1 Nierman 18</p> <p>2 respect to returns?</p> <p>3 A I don't know.</p> <p>4 Q Who would know?</p> <p>5 A Not me.</p> <p>6 Q Does Body Source keep track of the</p> <p>7 amount of returns it receives in a year?</p> <p>8 A I don't know.</p> <p>9 Q Does Body Source keep track of customer</p> <p>10 complaints that it receives?</p> <p>11 A I don't know.</p> <p>12 Q Who would know?</p> <p>13 A Possibly Steven.</p> <p>14 Q Does the Body Source have a protocol for</p> <p>15 handling Internet returns?</p> <p>16 MR. STEIN: I want to lodge an objection</p> <p>17 insofar as questions concerning Body Source</p> <p>18 because the nature of my objection is as to</p> <p>19 relevance simply because Body Source is not a</p> <p>20 defendant in this action.</p> <p>21 I've given a lot of latitude in asking</p> <p>22 questions about Body Source, but the</p> <p>23 objection still stands as to relevance</p> <p>24 because I don't know that the questions</p> <p>25 pertain to the lawsuit involving S&amp;L</p>	<p>1 Nierman 20</p> <p>2 A Yes.</p> <p>3 Q When I arrived at 308 East Montauk, I</p> <p>4 would see a sign above the entrance to S&amp;L</p> <p>5 Vitamins' place of business that said, Body</p> <p>6 Source, correct?</p> <p>7 A Yes.</p> <p>8 Q With that -- and how do you answer the</p> <p>9 phone as a store manager of this retail</p> <p>10 establishment?</p> <p>11 A I answer the phone, Body Source.</p> <p>12 Q I don't think there's any confusion.</p> <p>13 I'm going to use them both.</p> <p>14 And all the questions I asked you about</p> <p>15 refunds and returns, do any of your answers</p> <p>16 change now that we've kind of clarified this Body</p> <p>17 Source versus S&amp;L Vitamins distinction, if there</p> <p>18 is one?</p> <p>19 A No. My role in more complex parts of</p> <p>20 the business doesn't exist.</p> <p>21 Q Do you know the name of the website on</p> <p>22 which S&amp;L Vitamins does business?</p> <p>23 A Yes.</p> <p>24 Q What is the name of the website or</p> <p>25 websites?</p>
<p>1 Nierman 19</p> <p>2 Vitamins.</p> <p>3 Notwithstanding that, I'll allow him to</p> <p>4 answer the question. I'm not instructing him</p> <p>5 not to answer.</p> <p>6 MR. MATTHEWS: We'll hold that question</p> <p>7 for a minute. Let's clear something up.</p> <p>8 Q Your employer is S&amp;L Vitamins?</p> <p>9 A Correct, yes.</p> <p>10 Q S&amp;L Vitamins does business as Body</p> <p>11 Source; is that true?</p> <p>12 MR. STEIN: If you know.</p> <p>13 A I don't know.</p> <p>14 Q Well, you testified earlier in your</p> <p>15 deposition, I said, where do you work? And you</p> <p>16 said, Body Source, 308 --</p> <p>17 A That's the name on the sign in front of</p> <p>18 the store. I'm not too familiar with what</p> <p>19 happens, you know, with corporations and</p> <p>20 business.</p> <p>21 Q But if I enter S&amp;L Vitamins's place of</p> <p>22 business, I first have to drive to 308 East</p> <p>23 Montauk Highway, correct? If I wanted to go to</p> <p>24 S&amp;L Vitamins's place of business, I'd first go to</p> <p>25 308 East Montauk, correct?</p>	<p>1 Nierman 21</p> <p>2 A BODYSOURCEONLINE.COM.</p> <p>3 Q Is there another one?</p> <p>4 A Not that I know of.</p> <p>5 Q Are you familiar with THESUPPLENET.COM</p> <p>6 website?</p> <p>7 A Yes.</p> <p>8 Q What is the THESUPPLENET.COM?</p> <p>9 A I think that's the name before it</p> <p>10 switched over to BODYSOURCEONLINE.COM, and that's</p> <p>11 BODYSOURCEONLINE.COM. But I did not do anything</p> <p>12 with the other site.</p> <p>13 Q Is the BODYSOURCEONLINE.COM website part</p> <p>14 of S&amp;L Vitamins's business, if you know?</p> <p>15 A I don't know.</p> <p>16 Q Does S&amp;L Vitamins have a protocol for</p> <p>17 handling returns for sales made on the Internet?</p> <p>18 A I don't know.</p> <p>19 Q Do you know if there are, in fact, any</p> <p>20 returns from products on the Internet?</p> <p>21 A No.</p> <p>22 Q How are the products sold over the</p> <p>23 Internet by S&amp;L Vitamins shipped to the</p> <p>24 consumers?</p> <p>25 A UPS.</p>

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1	Nierman	22	1	Nierman	24
2	Q	Does UPS come to the store and pick the	2	Q	Are most of your complaints over the
3	products up?		3	phone?	
4	A	Every night.	4	A	Yes.
5	Q	Does UPS come more than once a day?	5	Q	Are they from customers who purchased
6	A	If they have a delivery.	6	something in your retail store or are the	
7	Q	What types of products are delivered to	7	telephone complaints mostly from customers who	
8	S&L Vitamins by UPS?		8	purchased something on the Internet?	
9	A	Sports and nutrition.	9	A	I would think mostly, the store.
10	Q	So products ordered from your suppliers?	10	Q	Do you have an idea of the gross sales
11	A	Sure.	11	for S&L Vitamins for last year?	
12	Q	Who is responsible for checking in the	12	A	No.
13	orders from UPS?		13	Q	Do you have any responsibility with
14	A	For sports nutrition, myself and Steven.	14	respect to the financial records of S&L Vitamins?	
15	Q	How do you know that an order for sports	15	A	None.
16	and nutrition versus maybe another type of		16	Q	Do you do anything else with respect to
17	package, such as another product or customer		17	customer service issues that you have not already	
18	return or anything of that nature, how do you		18	explained to me in this deposition?	
19	know what --		19	A	Yes.
20	A	You look at the label and it tells you	20	Q	What are those things that involve
21	who it's from.		21	customer service issues that you have not already	
22	Q	So what process do you go through? You	22	explained to me?	
23	look and see if the label is from a name that you		23	A	I track packages.
24	recognized as a sports and nutrition supplier and		24	Q	Anything else?
25	then if it is, you check it in?		25	A	No.

  

1	Nierman	23	1	Nierman	25
2	A	Sure.	2	Q	When you say track packages, what do you
3	Q	What if the package that you receive is	3	mean?	
4	from a name that is unfamiliar to you, who		4	A	I use the UPS system to tell the
5	handles that package?		5	customer when their order that was shipped by us	
6	A	Steven.	6	will arrive.	
7	Q	Let me just clarify something here. You	7	Q	Do you do that with respect to every
8	talked about one of your roles that expanded when		8	order that is placed?	
9	you became store manager was customer service		9	A	No.
10	issues. I just want to make sure I understand		10	Q	So this is something that you do if a
11	what that does and does not entail.		11	customer calls and e-mails and asks about a	
12	And I believe you said, customer refunds		12	status of their order?	
13	are generally not done by you. Is that a true		13	A	Correct.
14	statement?		14	Q	Does S&L Vitamins have a special
15	A	Yes. I generally do not handle any	15	software program provided by UPS that it uses to	
16	returns.		16	track orders?	
17	Q	Have you ever handled a return for any	17	A	UPS World Ship.
18	tanning lotion product?		18	Q	Is that a program that's downloaded on
19	A	No, sir.	19	S&L Vitamins's computer or is that like an	
20	Q	And customer complaint, you handle on	20	Internet placed program that you go to the	
21	occasion, but not regularly; did I understand		21	Internet and track packages, if you know?	
22	that right or am I getting that wrong?		22	A	I don't know.
23	A	It depends, honestly, who picks up the	23	Q	And that's fair. If you don't know the
24	phone. Usually, I am up front handling the		24	answer to a question, it's perfectly fine just to	
25	store.		25	tell me you don't know. I'm not here to test	

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<p>1 Nierman 26</p> <p>2 your knowledge, just to see what you know.</p> <p>3 Do you know if S&amp;L Vitamins has any</p> <p>4 software management tools that, for example, can</p> <p>5 track the amount of shipments that are sent to</p> <p>6 and from or through UPS, things of that nature.</p> <p>7 A I'm not too sure on the full capacity of</p> <p>8 that program.</p> <p>9 Q Who is responsible at S&amp;L Vitamins for</p> <p>10 monitoring e-mails received from customers</p> <p>11 through the Internet?</p> <p>12 A Steven.</p> <p>13 Q Is there a specific e-mail that a</p> <p>14 customer, an e-mail address that a customer uses</p> <p>15 if it wants to contact S&amp;L Vitamins about a</p> <p>16 purchase it made over the Internet?</p> <p>17 A I believe we have one e-mail.</p> <p>18 Q What is that address?</p> <p>19 A INFO@BODYSOURCEONLINE.COM.</p> <p>20 Q Do you have a password to access that</p> <p>21 e-mail account?</p> <p>22 A It's saved.</p> <p>23 Q A better question, I guess, would be, do</p> <p>24 you access that e-mail account to look at</p> <p>25 e-mails?</p>	<p>1 Nierman 28</p> <p>2 Vitamins, where were you employed?</p> <p>3 A Elco Lock and Door.</p> <p>4 Q What were your dates of employment</p> <p>5 there?</p> <p>6 A 1997 on and off until 1999.</p> <p>7 Q I believe you said you've been the store</p> <p>8 manager at S&amp;L Vitamins for the last 3 years, and</p> <p>9 overall you've been employed at S&amp;L Vitamins 5</p> <p>10 years, correct?</p> <p>11 A Correct.</p> <p>12 Q That takes us back to 2001, when you</p> <p>13 started employment at S&amp;L Vitamins?</p> <p>14 A Okay.</p> <p>15 Q Is that right?</p> <p>16 A 2001 at Lindenhurst, New York.</p> <p>17 Q Were you unemployed from 1999 through</p> <p>18 2001?</p> <p>19 A No.</p> <p>20 Q Where did you work for those years?</p> <p>21 A Body Source.</p> <p>22 Q Is that a different Body Source than the</p> <p>23 Body Source --</p> <p>24 A Yes, sir.</p> <p>25 MR. STEIN: Let him just finish the</p>
<p>1 Nierman 27</p> <p>2 A I access that if I have to process an</p> <p>3 order.</p> <p>4 Q Do you access the e-mail account to read</p> <p>5 e-mails that S&amp;L Vitamins has received from its</p> <p>6 customers?</p> <p>7 A Rephrase that.</p> <p>8 Q Sure. Do you get on that e-mail account</p> <p>9 to look at e-mails that S&amp;L Vitamins has received</p> <p>10 from its customers?</p> <p>11 A Only if I have to process an order.</p> <p>12 Q When you say process an order, what do</p> <p>13 you mean by that?</p> <p>14 A I make the shipping label for the order.</p> <p>15 That's not my job, but if someone is not able to</p> <p>16 do it at the time, I do it.</p> <p>17 Q What else is involved in processing an</p> <p>18 order?</p> <p>19 A You just pack it up and send it out.</p> <p>20 Q Do you own any businesses?</p> <p>21 A No.</p> <p>22 Q Do you have any promise of ownership in</p> <p>23 S&amp;L Vitamins?</p> <p>24 A No.</p> <p>25 Q Prior to your employment with S&amp;L</p>	<p>1 Nierman 29</p> <p>2 question before you answer, just so the court</p> <p>3 reporter can take can take it all down.</p> <p>4 Q Is that Body Source, Inc. or is that</p> <p>5 just Body Source? What's the --</p> <p>6 A I don't know.</p> <p>7 Q Where is the address of that business?</p> <p>8 A It was in East Northport. I don't know</p> <p>9 the address.</p> <p>10 Q What were your dates of employment at</p> <p>11 Body Source in Northport?</p> <p>12 MR. STEIN: Approximately.</p> <p>13 A Approximately November 1999 until 2001</p> <p>14 when the Lindenhurst store opened.</p> <p>15 Q What did you do for Elco Lock and Door?</p> <p>16 A Install locks.</p> <p>17 Q Was that a full-time job?</p> <p>18 A No.</p> <p>19 Q Was that a part-time position while you</p> <p>20 were in school?</p> <p>21 A It's my father's company.</p> <p>22 Q Where is that located?</p> <p>23 A 20 Elm Drive, East Northport, 11731.</p> <p>24 Q What was your job title at Body Source</p> <p>25 in Northport?</p>

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1	Nierman	30	1	Nierman	32
2	A	Just a regular employee.	2	A	No.
3	Q	What kind of business is the Body Source	3	Q	Who offered you a job at the Montauk
4	in -- I'm going to try to be clear because I may		4	Highway store?	
5	use Body Source on Montauk, so I'm going to try		5	A	Steven Mercadante.
6	to say, Northport.		6	Q	Did you work with Steven Mercadante at
7	So if you're confused, David, or		7	Northport?	
8	Mr. Nierman, let me know, so we have a clear		8	A	I believe he left to open Lindenhurst
9	record on that.		9	and he trained me there, but I don't think that's	
10	Generally, what is the business of the		10	working with him.	
11	Body Source store in Northport?		11	Q	Did Larry Sagarin ask you to move from
12	A	It was a sports nutrition store.	12	the Northport store to the Montauk store?	
13	Q	Is it still in business?	13	A	I asked him.
14	A	No.	14	MR. STEIN:	In addition to the Steve
15	Q	Who owned that store?	15	Mercadante answer that he gave?	
16	A	I don't know.	16	MR. MATTHEWS:	Yes.
17	Q	Who did you work for? Let me ask a	17	Q	You could answer.
18	better question, who did you report to?		18	A	I asked for a job.
19	A	Larry Sagarin.	19	Q	Did you have discussions with Larry
20	Q	Did Larry Sagarin work at the Body	20	Sagarin about moving from Northport to Montauk?	
21	Source Northport store?		21	A	I asked him to ask Steven if it was
22	A	Before I started working there, yes.	22	okay.	
23	Q	In November of 1999 through 2001, did	23	Q	Why did you ask Mr. Mercadante if it was
24	Larry Sagarin also work at that store?		24	okay?	
25	A	Yes.	25	A	I thought it was his store.

  

1	Nierman	31	1	Nierman	33
2	Q	Who else worked at that store during the	2	Q	Did you ever work at the Body Source
3	time in which you were an employee?		3	store in Miller Place?	
4	A	I believe just me.	4	A	I filled in for Helen Sagarin on three
5	Q	What types of products did Body Source	5	occasions.	
6	Northport sell?		6	Q	And Helen Sagarin is Larry's mother?
7	A	Protein powders, fat burners, muscle	7	A	Yes.
8	builders.		8	Q	Do you know who owned the Body Source
9	Q	Did it sell tanning lotions?	9	store in Miller Place?	
10	A	No.	10	A	No.
11	Q	What were your responsibilities at that	11	Q	Do you have an understanding it was
12	store?		12	Larry Sagarin?	
13	A	Cashier.	13	A	No. I believe it was Helen.
14	Q	Did you have any other responsibilities?	14	Q	With respect to the Northport store, did
15	A	Keep the store clean.	15	you have an understanding that Larry Sagarin was	
16	Q	Anything else?	16	the owner of that store?	
17	A	No.	17	A	It depends on what owner means.
18	Q	You say at some point in time in 2001,	18	Q	Well, what does it mean to you?
19	the Body Source store in Northport closed?		19	A	Someone who pays the bills and collects
20	A	Yes.	20	money.	
21	Q	Did you go directly from that store to	21	Q	Well, did Larry Sagarin pay the bills
22	the store on Montauk Highway?		22	and collect money at Northport?	
23	A	Yes.	23	A	I don't know.
24	Q	Do you know why the store in Northport	24	Q	Do you know why the Lindenhurst store
25	closed?		25	was opened?	

9 (Pages 30 to 33)

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1	Nierman	34	1	Nierman	36
2	A	I don't know.	2	you met him?	
3	Q	Did the Body Source store at Miller	3	A	Yes.
4	Place sell tanning lotions, to your knowledge?		4	Q	I don't know the geography around here,
5	A	No.	5	but I take it that's where you grew up, where you	
6	Q	Did the Body Source store at Northport	6	went to high school, so the Body Source Northport	
7	have a website?		7	store would be your local supplement store; is	
8	A	No.	8	that right?	
9	Q	Do you know if the Body Source store at	9	A	Yes, correct.
10	Miller Place has a website?		10	Q	How did that lead to a job opportunity?
11	A	I don't know.	11	A	I asked if he was hiring.
12	Q	When is the last time you worked at the	12	Q	And his response?
13	Body Source store in Miller Place?		13	A	If you don't already know, yes.
14	A	2002.	14	Q	Are you friends with Larry Sagarin
15	Q	Was that one of the dates in which you	15	outside of work?	
16	filled in for Helen Sagarin?		16	A	I don't see him outside of work, but I
17	A	Yes. I think it was around December or	17	would call him my friend.	
18	January, there was snow on the ground.		18	Q	Did you know Steve Mercadante before
19	Q	Do you know who Laura Fanning is?	19	your employment with Body Source?	
20	A	Yes.	20	A	No.
21	Q	How do you know Laura Fanning?	21	Q	Have you ever been involved in any other
22	A	I know that she is Larry Sagarin's wife.	22	lawsuits?	
23	Q	Have you met her before?	23	A	No.
24	A	Yes.	24	Q	Who at S&L Vitamins is primarily
25	Q	How many occasions?	25	responsible for filling customer orders over the	

  

1	Nierman	35	1	Nierman	37
2	A	Once.	2	Internet?	
3	Q	When was that?	3	A	Steven.
4	A	Steven Mercadante's wedding.	4	Q	Do you assist Mr. Mercadante in filling
5	MR. MATTHEWS: Let's take a break.		5	customer orders?	
6	(A recess was taken.)		6	A	If we're busy, I help pack the orders.
7	Q	How do you know Larry Sagarin outside of	7	Q	Does anyone else help Mr. Mercadante in
8	work?		8	filling customer orders?	
9	A	I used to be a customer of Body Source,	9	A	Not while I'm there.
10	Northport.		10	Q	I kind of gather from your testimony
11	Q	Was that how you were first introduced	11	that your primary responsibility is out in the	
12	to Larry Sagarin?		12	retail space of the store; is that right?	
13	A	Yes.	13	A	Yes.
14	Q	I take it, you were a good customer?	14	Q	Describe for me the layout of the Body
15	A	Yes.	15	Source store in Lindenhurst.	
16	Q	Are you a body builder?	16	A	When you first walk in, there is a
17	A	At one point, I was.	17	freezer on the right-hand side and then many	
18	Q	Did you ever enter any competitions or	18	shelves and wall units filled with with sports	
19	was it just a hobby or --		19	supplements.	
20	A	I was training for a competition and I	20	Q	Is there a sales counter as well?
21	fell ill.		21	A	Yes. On the left-hand side, the
22	Q	When did you first meet Larry Sagarin,	22	computer, which is the cash register.	
23	do you remember what year, approximately?		23	Q	I take it that's probably where you
24	A	1997.	24	spend most of your time, behind that computer and	
25	Q	That was at the Northport store where	25	cash register, as well as just in the retail	

10 (Pages 34 to 37)

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1	Nierman	38	1	Nierman	40
2	store?		2	A No.	
3	A I spend 95 percent of my time there.		3	Q How high are the shelves?	
4	Q At the cash register?		4	A 6-1/2, 7 feet.	
5	A Yes.		5	Q Are the shelves full with tanning lotion	
6	Q Are you one that's primarily responsible		6	or are they empty?	
7	for stocking the shelves in the retail store?		7	A It depends on the time of year.	
8	A Yes.		8	Q Well, generally now, in March -- what	
9	Q Where is the product that you stock the		9	did the shelves look like yesterday?	
10	shelves with kept?		10	A There was a decent amount of tanning	
11	A The back room.		11	lotion.	
12	Q How big is the back room?		12	Q Can you estimate how much is on the	
13	A About the side of this room.		13	shelves?	
14	Q Can you estimate --		14	A I don't know. I just went to the	
15	A No.		15	bathroom and passed them.	
16	Q -- in feet?		16	Q What else besides shelves of tanning	
17	A Do I have to?		17	lotions and then the corner with the nutrition	
18	Q Well, if you can.		18	supplements is in the back room of S&L Vitamins?	
19	A I can't.		19	A Two computers located on a long desk.	
20	Q I mean, I don't know what this room is,		20	Q Anything else?	
21	maybe 15 feet wide by about maybe 25, 30 feet		21	A A calendar.	
22	long. I don't know.		22	Q Who uses the computers in the back room?	
23	A Then that sounds about right.		23	A Larry Sagarin, Steven Mercadante and	
24	MR. MATTHEWS: We could get out a tape		24	myself.	
25	measure, David, you stand on one end, I'll		25	Q What are the computers used for?	

  

1	Nierman	39	1	Nierman	41
2	stand on the other and we'll figure it out.		2	A Processing orders and checking e-mail,	
3	Q What's in the back room?		3	personal e-mail.	
4	A Sports supplements and tanning lotion.		4	Q For business purposes of S&L Vitamins,	
5	Q Are they kept on shelves?		5	are the two computers primarily used then for	
6	A Yes.		6	processing Internet orders?	
7	Q Are the shelves lined up against the		7	A Yes.	
8	wall, are they just every which way?		8	Q Do you know why there are two computers	
9	A On the wall.		9	versus only one?	
10	Q How many shelves are in the back room?		10	A I don't know.	
11	A About seven.		11	Q Is one dedicated to a certain function	
12	Q How many shelves contain tanning		12	and another computer dedicated to another	
13	lotions?		13	function?	
14	A Seven.		14	A No.	
15	Q Is there any shelves that contain		15	Q And your use of the computers in the	
16	nutritional supplements?		16	back room would be to process orders?	
17	A No. That's a certain corner of the back		17	A Only if I have to, otherwise I use them	
18	room.		18	for personal use.	
19	Q How are they kept? Are they kept on the		19	Q How do the tanning lotions arrive at the	
20	shelf, on a pallet or what? The nutritional		20	Body Source store in Lindenhurst?	
21	supplements, I'm talking about.		21	A I don't know.	
22	A It's like a stand.		22	Q Have you ever received an order for	
23	Q The seven shelves where the tanning		23	tanning lotions?	
24	lotions are kept, are those shelves floor to		24	A Personally?	
25	ceiling?		25	Q No, not like your place, but have helped	

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1	Nierman	42	1	Nierman	44
2	Larry Sagarin or Steven Mercadante --		2	Q What is that?	
3	A Yes.		3	A Something in criminal justice, possibly	
4	Q -- unload an order or receive an order		4	a police officer, maybe a probation officer.	
5	from a supplier?		5	Q So something in your field of study is	
6	A I've helped carry boxes containing		6	your ultimate career objective?	
7	tanning lotions into the store.		7	A Yes.	
8	Q Tell me about that.		8	Q Did they explain to you why they were in	
9	A Larry opened the trunk of his car, which		9	litigation or in a lawsuit with tanning lotion	
10	is in the back, and I took a box that was brown		10	companies?	
11	and I brought it inside.		11	A I think they said they don't like it	
12	Q How many boxes did Larry have in his		12	being sold online.	
13	car?		13	Q Did they say anything else that you	
14	A Three.		14	recall?	
15	Q On how many occasions have you helped		15	A No.	
16	Mr. Sagarin unload tanning lotions?		16	Q Are you aware of a manufacturer of	
17	A Three times.		17	tanning lotions called California Tan?	
18	Q Have you ever received an order of		18	A Sure.	
19	tanning lotions in another manner other than from		19	Q Are you aware of a lawsuit between S&L	
20	the trunk of Mr. Sagarin's car?		20	Vitamins and California Tan; if you know?	
21	A No.		21	A Can I say a little bit?	
22	Q Have you ever gone with Mr. Sagarin or		22	Q Sure.	
23	Mr. Mercadante or by yourself to another location		23	MR. STEIN: Whatever the truth is,	
24	to pick up tanning lotions for S&L Vitamins?		24	that's what you can say.	
25	A No.		25	A A little bit.	

  

1	Nierman	43	1	Nierman	45
2	Q Have you had any discussions with		2	Q Did you give any testimony in that case?	
3	Mr. Sagarin or Mr. Mercadante about where they		3	A No.	
4	obtain the tanning lotions?		4	Q Did you have any discussions with	
5	A No. I don't care.		5	Mr. Sagarin or Mr. Mercadante about California	
6	Q Why don't you care?		6	Tan and S&L Vitamins reaching a resolution on the	
7	A Because it's not my job to care.		7	issues of that case?	
8	Q What discussions have you had with		8	MR. STEIN: I'm going to object again	
9	Mr. Sagarin or Mr. Mercadante about this lawsuit?		9	just as to relevance. He can answer the	
10	A None.		10	question, but I don't know that it's	
11	Q They told you there is a lawsuit		11	reasonably calculated to lead to the	
12	involving their company and Australian Gold?		12	discovery of admissible evidence.	
13	A They mentioned it briefly.		13	I'm sorry for interrupting your train of	
14	Q When did they mention it to you?		14	thought. Would you mind reading the question	
15	A Around September of '05.		15	back?	
16	Q What did they say to you?		16	A Can you repeat it.	
17	A We are getting sued.		17	Q Let me just rephrase it. Do you have	
18	Q What did you say in response to that?		18	any understanding of how the California Tan	
19	A I'm sorry.		19	lawsuit was resolved with S&L Vitamins?	
20	Q Did you ask them if that affected		20	A Yes.	
21	whether or not you had a job?		21	Q What's your understanding of that?	
22	A No. What I do is temporary.		22	A I believe they had to pay a certain sum	
23	Q What do you mean by that?		23	of money.	
24	A It means that I will work there until I		24	Q Anything else?	
25	get into the career of choice.		25	A No, not that I know of.	

12 (Pages 42 to 45)

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<p>1 Nierman 46</p> <p>2 Q Did you play any role in deciding how to</p> <p>3 resolve that lawsuit?</p> <p>4 A No.</p> <p>5 Q In this lawsuit, do you have any role</p> <p>6 with respect to how this case moves forward?</p> <p>7 A No.</p> <p>8 Q Back to the questions I was asking you</p> <p>9 about receiving the orders. You testified you</p> <p>10 carried boxes in the car. Then what's done with</p> <p>11 the products once the boxes are inside S&amp;L</p> <p>12 Vitamins's place of business?</p> <p>13 A You check to make sure the correct</p> <p>14 amount of product is there. And that's all I</p> <p>15 have done.</p> <p>16 Q How do you check to see if the correct</p> <p>17 amount of product is there?</p> <p>18 A I count the bottles. And I tell</p> <p>19 Mr. Sagarin how many bottles of a certain product</p> <p>20 are on the table. And he says either okay or no,</p> <p>21 check again.</p> <p>22 Q Do you compare that with an invoice or</p> <p>23 something written down on a sheet of paper?</p> <p>24 A No.</p> <p>25 Q Is that Mr. Sagarin who does that?</p>	<p>1 Nierman 48</p> <p>2 Q Do you receive an e-mail that says --</p> <p>3 MR. STEIN: I'm going to just for</p> <p>4 purposes of clarification, I'm going to say</p> <p>5 that the record should reflect that that</p> <p>6 sentence that he just said should end with a</p> <p>7 question mark because that's how I believe</p> <p>8 the way that it was phrased.</p> <p>9 Q Okay. Do you know how the order is</p> <p>10 processed?</p> <p>11 A I have an idea.</p> <p>12 Q Tell me what your idea is.</p> <p>13 A You click order when it has a little</p> <p>14 red, I guess, asterisk there, then you can view</p> <p>15 the order. You can click sale and that would, I</p> <p>16 believe, charge the person's credit card.</p> <p>17 And then you can hit another, I'd like</p> <p>18 to say, link that says print invoice. And then</p> <p>19 you create a UPS label.</p> <p>20 Q And this is some kind of a software</p> <p>21 that's provided through the Yahoo business</p> <p>22 platform, if you will?</p> <p>23 A I believe it is all Yahoo.</p> <p>24 Q Do you get an e-mail or is it just some</p> <p>25 kind of a report that you can go to see, oh, I</p>
<p>1 Nierman 47</p> <p>2 A Yes.</p> <p>3 Q Does Mr. Sagarin have a piece of paper</p> <p>4 or something in his hand that he's using to check</p> <p>5 the orders against the actual count that you</p> <p>6 performed?</p> <p>7 A A piece of paper, I'm not sure if it's</p> <p>8 an invoice. I don't look.</p> <p>9 Q He's never shown it to you?</p> <p>10 A No.</p> <p>11 Q And then what happens next after the</p> <p>12 inventory is counted and checked in? It gets</p> <p>13 placed on the shelves?</p> <p>14 A Yes.</p> <p>15 Q Shifting gears just a little bit, same</p> <p>16 process. I'm a customer. I place an order over</p> <p>17 the Internet for purchase of tanning lotions.</p> <p>18 Let's say I want an Australian Gold product, say</p> <p>19 I want Crystal, and let's say, I also want a</p> <p>20 bottle of Swedish Beauty Amaretto.</p> <p>21 So I type it in and I go through online,</p> <p>22 get to the shopping cart and I pay for it and I</p> <p>23 hit the submit button, how does that order come</p> <p>24 to S&amp;L Vitamins?</p> <p>25 A Through a Yahoo hosted website.</p>	<p>1 Nierman 49</p> <p>2 have a new order?</p> <p>3 A I believe with every order, for example,</p> <p>4 666, there would be an e-mail saying order 666.</p> <p>5 Then you click on e-mail and that would show the</p> <p>6 order.</p> <p>7 Q And so it would identify what products</p> <p>8 had been ordered and you click on the order and</p> <p>9 it would tell you what products have been ordered</p> <p>10 by this customer, correct?</p> <p>11 A Yes.</p> <p>12 Q And then you have a button that you hit</p> <p>13 manually that says sale and that charges the</p> <p>14 credit card?</p> <p>15 A Yes.</p> <p>16 Q And then there's another button that</p> <p>17 allows you to print the invoice?</p> <p>18 A Yes.</p> <p>19 Q Is the invoice placed in the customer's</p> <p>20 order when it's shipped to them?</p> <p>21 A Yes.</p> <p>22 Q Does S&amp;L Vitamins keep a copy of its</p> <p>23 invoice?</p> <p>24 A I don't know.</p> <p>25 Q And then you print a UPS label?</p>

13 (Pages 46 to 49)

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1	Nierman	50	1	Nierman	52
2	A	Yes.	2	Highway have a tanning bed in it?	
3	Q	Let's say, I've ordered my two bottles	3	A	No.
4		of lotion. And let's assume on this day you're	4	Q	S&L Vitamins is not a tanning salon?
5		the one that's responsible for assembling my	5	A	No.
6		order. Once you receive my order and see what I	6	Q	Have you ever been trained on the use of
7		want, what would you do?	7		tanning lotions?
8	A	I would charge you, print out the	8	A	No.
9		invoice, print out the label, box your order and	9	Q	Do you know what a tingle product is?
10		place it underneath a table.	10	A	Yes.
11	Q	And that would be where the orders are	11	Q	Have you ever used a tingle product?
12		waiting for the UPS person to come and pick them	12	A	Yes.
13		up?	13	Q	Did you use that in conjunction with
14	A	Yes.	14		tanning at a tanning bed?
15	Q	Do you know how many orders per day are	15	A	Yes.
16		processed by S&L Vitamins?	16	Q	How did you get your hands on a tingle
17	A	I don't know.	17		product?
18	Q	Does Mr. Mercadante do that full time	18	A	I purchased it.
19		while he's there at S&L Vitamins?	19	Q	At the retail tanning salon?
20	A	Yes.	20	A	No.
21	Q	Does he have any other responsibilities	21	Q	Where did you purchase it from?
22		at S&L Vitamins other than packing and shipping	22	A	I believe it was BESTPRICETANNING.COM.
23		orders?	23	Q	How long ago was that?
24	A	He handles most of the phone calls for	24	A	About a year ago.
25		the business.	25	Q	Does BESTPRICETANNING.COM have better

  

1	Nierman	51	1	Nierman	53
2	Q	Does he generally spend his time in the	2	prices than BODYSOURCEONLINE.COM?	
3		back room where the tanning lotions are and those	3	A	I don't know.
4		two computers?	4	Q	Why did you purchase it from a
5	A	Yes.	5		competitor on the Internet?
6	Q	What about Mr. Sagarin, where does he	6	A	They had the product I wanted.
7		primarily spend his time when he is at S&L	7	Q	What product did you purchase, do you
8		Vitamins?	8		remember?
9	A	In the back and some up front.	9	A	Supre Cocoa, Cocoa Beach Pod.
10	Q	What does he do up front?	10	Q	And Supre is another manufacturer of
11	A	Checks to see what new products are out.	11		tanning lotion or is a manufacturer of tanning
12	Q	Are tanning lotions displayed in the	12		lotions, right?
13		retail storefront of S&L Vitamins?	13	A	Right.
14	A	Yes.	14	Q	Did you apply the tingle all over your
15	Q	How many tanning lotions are on display	15		body?
16		in your retail store?	16	A	No.
17	A	There's just one shelf, a wall unit.	17	Q	Did you put any on your face?
18	Q	Does the shelf display every product	18	A	No.
19		that's offered for sale over the Internet?	19	Q	Why not?
20	A	I don't know.	20	A	I usually do not put lotion on my face.
21	Q	Who is responsible for stocking that	21	Q	Did you turn red with the tingle?
22		shelf of tanning lotions in the retail portion of	22	A	No.
23		S&L Vitamins's store?	23	Q	You didn't?
24	A	Steven and Larry.	24	A	No. Maybe a little, not red.
25	Q	Does the S&L Vitamins store on Montauk	25	Q	Did it burn?

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<p>1 Nierman 54</p> <p>2 A You feel a burn sensation.</p> <p>3 Q Did it tingle?</p> <p>4 A Yes.</p> <p>5 Q Have you ever seen anybody who's put a</p> <p>6 tingle product on their face?</p> <p>7 A Yes.</p> <p>8 Q Tell me about those circumstances.</p> <p>9 A They looked a little too red.</p> <p>10 Q Was that at a tanning salon where you</p> <p>11 saw that?</p> <p>12 A Yes.</p> <p>13 Q Were you there as a patron or just, what</p> <p>14 were the circumstances under which you were</p> <p>15 there?</p> <p>16 A Customer.</p> <p>17 Q You were a customer?</p> <p>18 A Yes.</p> <p>19 Q And you saw another customer with tingle</p> <p>20 on their face?</p> <p>21 A Yes.</p> <p>22 Q Did that customer complain or was she</p> <p>23 upset or he?</p> <p>24 A No. She was maybe a little surprised</p> <p>25 and laughed about it.</p>	<p>1 Nierman 56</p> <p>2 Q I think I asked you this, do you know</p> <p>3 where they're located?</p> <p>4 MR. STEIN: He said he doesn't know.</p> <p>5 MR. MATTHEWS: Okay. Fair enough. I</p> <p>6 have a short memory.</p> <p>7 MR. STEIN: Don't believe that for a</p> <p>8 second.</p> <p>9 MR. MATTHEWS: Well, I didn't remember</p> <p>10 if I asked him that.</p> <p>11 MR. STEIN: I don't believe you have a</p> <p>12 short memory.</p> <p>13 Q Have you ever received any training from</p> <p>14 Australian Gold concerning the use of their</p> <p>15 tanning lotions?</p> <p>16 A No.</p> <p>17 MR. MATTHEWS: Let's go off the record.</p> <p>18 (A discussion was held off the record.)</p> <p>19 MR. MATTHEWS: This part will be subject</p> <p>20 to the highly confidential portion of the</p> <p>21 protective order for attorneys' eyes only.</p> <p>22 (Whereupon, the following portion has</p> <p>23 been deemed highly confidential and will be</p> <p>24 bound under a separate cover.)</p> <p>25</p>
<p>1 Nierman 55</p> <p>2 Q Surprised that it would turn her face</p> <p>3 red?</p> <p>4 A Yes. She said it felt very, very</p> <p>5 strong.</p> <p>6 Q Was she dissatisfied with the product</p> <p>7 because she wasn't expecting that reaction?</p> <p>8 A I could care less. I didn't stay</p> <p>9 around.</p> <p>10 Q I understand. I just didn't know if you</p> <p>11 heard her say anything like this stuff is</p> <p>12 terrible or I can't believe it did it to me?</p> <p>13 A No.</p> <p>14 Q Do you know where BESTPRICETANNING.COM</p> <p>15 is located?</p> <p>16 A No.</p> <p>17 Q Do you know the owner of</p> <p>18 BESTPRICETANNING.COM?</p> <p>19 A No.</p> <p>20 Q Do you know if Mr. Mercadante or</p> <p>21 Mr. Sagarin know who owns BESTPRICETANNING.COM?</p> <p>22 A I don't know.</p> <p>23 Q How did you find the</p> <p>24 BESTPRICETANNING.COM website?</p> <p>25 A Yahoo shopping.</p>	<p>1 Nierman 57</p> <p>2 UNITED STATES DISTRICT COURT</p> <p>3 EASTERN DISTRICT OF NEW YORK</p> <p>4</p> <p>5 S&amp;L VITAMINS, INC.,</p> <p>6 Plaintiff/Counterclaim</p> <p>7 Defendant,</p> <p>8 - against -</p> <p>9 AUSTRALIAN GOLD, INC.,</p> <p>10 Defendant/Counterclaim</p> <p>11 Plaintiff.</p> <p>12</p> <p>13 AUSTRALIAN GOLD, INC.,</p> <p>14 Third-Party Plaintiff,</p> <p>15 - against -</p> <p>16 LARRY SAGARIN AND JOHN DOES 1-10,</p> <p>17 Third-Party Defendants.</p> <p>18</p> <p>19 (Highly Confidential)</p> <p>20 DEPOSITION OF MICHAEL NIERMAN</p> <p>21 New York, New York</p> <p>22 Tuesday, March 28, 2006</p> <p>23</p> <p>24 Reported by:</p> <p>25 MICHELE ROSSI, RPR</p>

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<p>1 Nierman - Highly Confidential 58</p> <p>2 HIGHLY CONFIDENTIAL EXAMINATION BY MR. MATTHEWS:</p> <p>3 Q Mr. Nierman, do you know who Danny</p> <p>4 Sheehan is?</p> <p>5 A Yes.</p> <p>6 Q Who is Danny Sheehan?</p> <p>7 A He's my friend.</p> <p>8 Q How long have you known Mr. Sheehan?</p> <p>9 A 6 years.</p> <p>10 Q How did you first become acquainted with</p> <p>11 Danny Sheehan?</p> <p>12 A At the gym.</p> <p>13 Q Was he a body builder as well?</p> <p>14 A More so a weekend warrior.</p> <p>15 Q You said he's your friend. Did you</p> <p>16 become personal friends after you met at the gym</p> <p>17 and --</p> <p>18 A Yes.</p> <p>19 Q Do you know what Mr. Sheehan does for a</p> <p>20 living?</p> <p>21 A Yes.</p> <p>22 Q What does he do?</p> <p>23 A He owns tanning salons.</p> <p>24 Q Do you know the names of the tanning</p> <p>25 salons he owns?</p>	<p>1 Nierman - Highly Confidential 60</p> <p>2 contract with Australian Gold to be a premier</p> <p>3 salon with Australian Gold?</p> <p>4 A I don't know.</p> <p>5 Q Have you ever had any discussions with</p> <p>6 Mr. Sheehan that he's obligated to sell only</p> <p>7 Australian Gold and Swedish Beauty products?</p> <p>8 A No.</p> <p>9 Q Have you had any discussions with</p> <p>10 Mr. Sheehan about tanning lotions?</p> <p>11 A No.</p> <p>12 Q Did you introduce Steven Mercadante or</p> <p>13 Larry Sagarin to Danny Sheehan?</p> <p>14 A No.</p> <p>15 Q Do you know how Mr. Mercadante and</p> <p>16 Mr. Sagarin first became acquainted with Danny</p> <p>17 Sheehan?</p> <p>18 A I think Larry knew him from high school.</p> <p>19 Steven, I do not know.</p> <p>20 Q Were you introduced to Danny Sheehan by</p> <p>21 Larry Sagarin?</p> <p>22 A No.</p> <p>23 Q Did anyone else introduce you to Danny</p> <p>24 Sheehan or did you just happen to meet him at the</p> <p>25 gym?</p>
<p>1 Nierman - Highly Confidential 59</p> <p>2 A Yuca Tan.</p> <p>3 Q Is that where you tan?</p> <p>4 A Sometimes.</p> <p>5 Q Where else do you tan?</p> <p>6 A Hollywood Tan.</p> <p>7 Q Anywhere else?</p> <p>8 A Palm Beach Tan.</p> <p>9 Q Anywhere else?</p> <p>10 A No. It's been a long time.</p> <p>11 Q Are Hollywood Tans and Palm Beach Tans</p> <p>12 chains, like a chain salon, do you know?</p> <p>13 A Palm Beach is.</p> <p>14 Q Who is the owner of Hollywood Tans?</p> <p>15 A I don't know.</p> <p>16 Q So the only friend you have that owns a</p> <p>17 tanning salon is Danny Sheehan?</p> <p>18 A Yes.</p> <p>19 Q Are you aware that Mr. Sheehan sells</p> <p>20 Australian Gold and Swedish Beauty tanning</p> <p>21 lotions?</p> <p>22 A Through his tanning salons, yes.</p> <p>23 Q Do you know what a premier salon is?</p> <p>24 A No.</p> <p>25 Q Are you aware if Mr. Sheehan has a</p>	<p>1 Nierman - Highly Confidential 61</p> <p>2 A I walked up to Danny and told him that I</p> <p>3 work for Larry.</p> <p>4 Q So you knew who Danny Sheehan was prior</p> <p>5 to your introducing yourself to him?</p> <p>6 A Yes.</p> <p>7 Q How did you know who he was?</p> <p>8 A When you are in a gym, you know who</p> <p>9 certain people are.</p> <p>10 Q Does that mean Mr. Sheehan was also a</p> <p>11 pretty large guy?</p> <p>12 A Yes.</p> <p>13 Q So you know who the big guys are in the</p> <p>14 gym?</p> <p>15 A Yes.</p> <p>16 Q Did you have any involvement at all with</p> <p>17 S&amp;L Vitamins' purchase of tanning lotions from</p> <p>18 Mr. Sheehan?</p> <p>19 A No.</p> <p>20 Q Were you aware that S&amp;L Vitamins was</p> <p>21 purchasing its tanning lotions from Mr. Sheehan?</p> <p>22 A No.</p> <p>23 Q Larry Sagarin or Mr. Mercadante never</p> <p>24 told you that Danny Sheehan is one of our</p> <p>25 sourcings?</p>

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<p>1 Nierman - Highly Confidential 62</p> <p>2 A Never directly.</p> <p>3 Q Did they ever tell you who their sources</p> <p>4 of the Australian Gold and Swedish Beauty</p> <p>5 products were?</p> <p>6 A No.</p> <p>7 Q Would you care?</p> <p>8 A No.</p> <p>9 Q What about John Tufarella, do you know</p> <p>10 who he is?</p> <p>11 A Yes.</p> <p>12 Q Who is John Tufarella?</p> <p>13 A He is Danny's partner in Syosset, New</p> <p>14 York.</p> <p>15 Q Partner at a Yuca?</p> <p>16 A Yuca.</p> <p>17 Q Have you met Mr. Tufarella?</p> <p>18 A Yes.</p> <p>19 Q How many times have you met</p> <p>20 Mr. Tufarella?</p> <p>21 A Maybe six.</p> <p>22 Q Is Mr. Tufarella a body builder, as</p> <p>23 well?</p> <p>24 A No, but he's in great shape.</p> <p>25 Q Does he work out at a gym, as well?</p>	<p>1 Nierman - Highly Confidential 64</p> <p>2 believe.</p> <p>3 Q How do you know that?</p> <p>4 A My friend used to be partners with him</p> <p>5 many years ago or at least I think he was a</p> <p>6 partner.</p> <p>7 Q Partner in Midnight Sun?</p> <p>8 A Yes.</p> <p>9 Q What was your friend's name?</p> <p>10 A Chris Bottalato.</p> <p>11 Q Have you ever been to Mr. Bartone's</p> <p>12 tanning salon?</p> <p>13 A No.</p> <p>14 Q Have you ever had any discussions with</p> <p>15 Mr. Bartone about supplying S&amp;L Vitamins with</p> <p>16 tanning lotion?</p> <p>17 A I've never spoke to Mr. Bartone.</p> <p>18 Q You just know him by name only?</p> <p>19 A Yes.</p> <p>20 (Nonconfidential portion continues.)</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
<p>1 Nierman - Highly Confidential 63</p> <p>2 A Yes.</p> <p>3 Q Did you know that Mr. Tufarella was also</p> <p>4 supplying Australian Gold and Swedish Beauty</p> <p>5 tanning lotions to S&amp;L Vitamins?</p> <p>6 A No.</p> <p>7 Q I take it that you didn't have any</p> <p>8 discussions with Mr. Tufarella about supplying</p> <p>9 any products to S&amp;L Vitamins?</p> <p>10 A No discussions.</p> <p>11 Q Do you know who Plaza Sports is?</p> <p>12 A Yes.</p> <p>13 Q Who do you know at Plaza Sports?</p> <p>14 A I don't know anybody there.</p> <p>15 Q What is Plaza Sports?</p> <p>16 A They have a pretty big chain of sports</p> <p>17 stores, I believe. There might be two or three</p> <p>18 on the island.</p> <p>19 Q Were you aware that Plaza Sports was a</p> <p>20 supplier of S&amp;L Vitamins for tanning lotions?</p> <p>21 A No.</p> <p>22 Q Do you know who Dominic Bartone is?</p> <p>23 A Yes.</p> <p>24 Q Who is Dominic Bartone?</p> <p>25 A He owns Midnight Sun tanning salon, I</p>	<p>1 Nierman 65</p> <p>2 (Continuation of nonconfidential portion.)</p> <p>3 CONTINUED EXAMINATION BY MR. MATTHEWS:</p> <p>4 Q Has anyone ever told you about</p> <p>5 Australian Gold's distribution system, how its</p> <p>6 products are distributed to tanning salons?</p> <p>7 A No.</p> <p>8 Q Have you ever seen a contract between</p> <p>9 Australian Gold and any of its distributors?</p> <p>10 A No.</p> <p>11 Q Do you care?</p> <p>12 A No.</p> <p>13 Q Do you have any responsibility for the</p> <p>14 maintenance or upkeep of S&amp;L Vitamins's website?</p> <p>15 A No.</p> <p>16 Q Have you ever added any products or</p> <p>17 deleted any products from the websites?</p> <p>18 A No.</p> <p>19 MR. STEIN: Scott, are we finished now</p> <p>20 with the confidential portion?</p> <p>21 MR. MATTHEWS: We are, thank you. Could</p> <p>22 we go back? Just after I asked about the</p> <p>23 last entity and that question, then we just</p> <p>24 stop the designation there, because I asked a</p> <p>25 few questions that probably don't belong in</p>

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2 there.  
3 Q Does S&L Vitamins have a warehouse?  
4 A Not that I know of.  
5 Q Other than Lindenhurst store, is there  
6 any other space it occupies?  
7 A Not that I know of.  
8 MR. MATTHEWS: Let's take a break.  
9 (A recess was taken.)  
10 MR. MATTHEWS: I have no further  
11 questions.  
12 MR. STEIN: I've got no questions.  
13 (Time noted: 2:50 p.m.)

1 Nierman 68  
2 CERTIFICATE  
3  
4 STATE OF NEW YORK)  
5 COUNTY OF NEW YORK)  
6  
7 I, MICHELE ROSSI, a Registered Professional  
8 Reporter and Notary Public within and for the  
9 State of New York, do hereby certify:  
10 That, MICHAEL NIERMAN, the witness whose  
11 deposition is hereinbefore set forth, was duly  
12 sworn by me and that such deposition is a true  
13 record of the testimony given by said witness.  
14 I further certify that I am not related to  
15 any of the parties to this action by blood or  
16 marriage and that I am in no way interested in  
17 the outcome of this matter.  
18 In witness, whereof, I have hereunto set my  
19 hand this 20th day of April, 2006.

**MICHELE ROSSI, R.P.R.**

1 Nierman 67  
2 A C K N O W L E D G E M E N T  
3 STATE OF NEW YORK)  
4 COUNTY OF NEW YORK)  
5  
6 I, MICHAEL NIERMAN, hereby certify, I have  
7 read the transcript of my testimony taken under  
8 oath in my deposition of March 28, 2006; that the  
9 transcript is a true, complete and correct record  
10 of what was asked, answered and said during this  
11 deposition, and that the answers on the record as  
12 given by me are true and correct.  
13  
14  
15 \_\_\_\_\_  
MICHAEL NIERMAN  
16  
17 Subscribed and sworn to before me  
18 this \_\_\_\_\_ day of \_\_\_\_\_, 2006.  
19 \_\_\_\_\_  
NOTARY PUBLIC

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